

Ambulance Services Supplemental Payment Program (ASSPP)

FFY 2020 Cost Report Training

Rate Analysis Program Contacts



Manager, Hospital Supplemental Payments

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For assistance with:

ASSPP Program-Related Questions

Provider Finance Department

Email: UCTools@hhs.texas.gov

Receipt of the report, STAIRS technical assistance

Phone: (512) 438-2680, Email: CostInformationPFD@hhs.texas.gov

Issues with your STAIRS Login:

Fairbanks, LLC. Phone: (877) 354-3831, Email: info@fairbanksllc.com



Source Locations

https://rad.hhs.texas.gov/acute-care/ambulance-services

Here, you can find:

- Presentation slides
- Cost Report Instructions
- Webinar registration links.





Services

Texas Administrative Code References

Title 1:

354.1111 Definitions

354.1113 Additional Claim Information Requirements

354.1115 Authorized Ambulance Services

355.101-107 Cost Determination Process

355.8600 Reimbursement Methodology for Ambulance Services



1115 Waiver History

- 1. Section 1115 waivers were designed to test and implement coverage approaches in the Medicaid program that do not meet federal program rules, but have also raised policy issues.
- 2. Section 1115 of the Social Security Act gives the Secretary of Health and Human Services (HHS) the authority to waive provisions of major health and welfare programs authorized under the act and to allow a state to use federal Medicaid funds in ways that are not otherwise allowed under federal rules.
- 3. The Texas 1115 demonstration waiver was approved at the discretion of the Secretary of HHS through negotiations between the State of Texas and the Centers for Medicare & Medicaid Services (CMS).
- 4. Section 1115 waivers are generally approved for a five-year period then must be renewed.
- 5. The federal government enforces the required budget neutrality by establishing a cap on federal funds over the life of the waiver.

1115 Waiver

How does this program exist?

Supplemental payment funding, managed care savings, and negotiated funding will go into two statewide pools over eleven years.

Funding from the pools will be distributed to hospitals and other providers to support the following objectives:

- (1) uncompensated care (UC)
- (2) Delivery System Reform Incentive Payment (DSRIP)







1115 Waiver

Uncompensated Care Pool

DSRIP

Dental

Physician Groups

Hospitals

Ambulance Services

Reimbursement Methodology Rule Amendments

2012 Waiver Approval:

Effective March 1, 2012, approved governmental providers are eligible to report and receive reimbursement for uncompensated care costs.

These reimbursements are made available due to the **approval** of the Healthcare Transformation and Quality Improvement 1115 Waiver Program (1115 Demonstration Waiver).

2017 Waiver Renewal:

Effective January 1, 2018, approved governmental providers are eligible to report and receive reimbursement for uncompensated care costs.

Effective October 1, 2019, approved governmental providers are eligible to report and receive reimbursement for uncompensated charity care costs*.

These reimbursements are made available due to the **renewal** of the Healthcare Transformation and Quality Improvement 1115 Waiver Program (1115 Demonstration Waiver).

* Note: The methodology change is mandated by CMS through the terms established in the Texas Healthcare Transformation and Quality Improvement Program Special Terms and Conditions (STC's) document (CMS Waiver List No. 11-W-00278/6).





ASSPP Overview

Ambulance Services are nonemergency and emergency patient transports that are approved by the Station's Charity Care Policy.

These services include out-of-hospital acute medical care, transport to definitive care, and other medical transports to patients with illnesses and injuries which prevent the patients from transporting themselves.

This includes ground, fixed wing/rotary, and water transports.

TEXAS Health and Human Services

ASSPP Overview

To be eligible to receive and retain federal reimbursement for the Texas Medicaid Ambulance program, a provider must:

- Be enrolled and approved as a provider with the Texas Medicaid & Healthcare Partnership (TMHP);
- Ensure that services are provided by approved/qualified providers as indicated in the Texas Medicaid Provider Procedures Manual (TMPPM);
- Submit a request and receive approval from HHSC to be eligible to participate in the Ambulance Services Supplemental Payment Program;
- Bill for allowable Medicaid services delivered in the Ambulance program;
- Abide by HHSC rules and regulations;
- Complete training for every odd-year cost report in order to complete cost reports for that year and the next year;
- Submit an annual Ambulance Cost Report; and
- Comply with all state and federal audits.
- Starting DY9 have a Charity Care policy that is valid per the HFMA guidelines

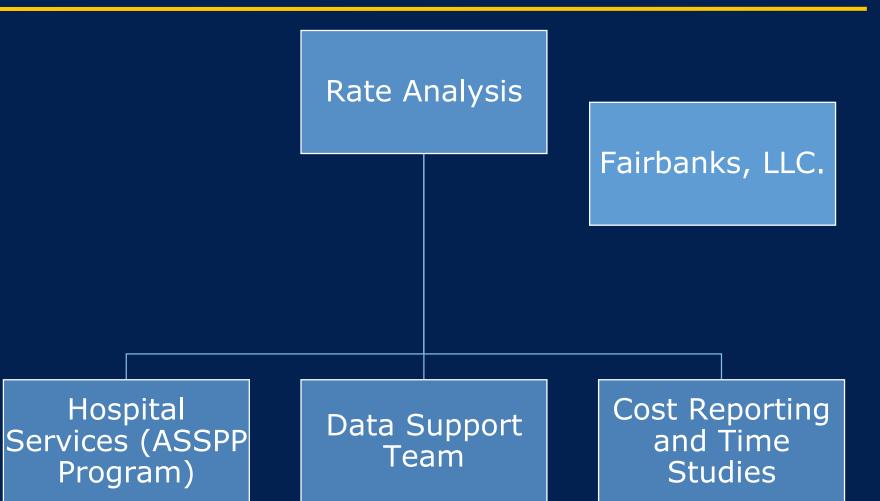
Purpose of the Cost Report

The purpose of the Ambulance Supplemental Payment Cost Report is to provide approved governmental ambulance providers with the opportunity to receive supplemental payments if the governmental ambulance provider's allowable costs exceed the revenues received during an applicable service period.



Organizational Overview





TEXAS Health and Human Services

Cost Report Training Requirements

It is the responsibility of the provider to ensure that each cost report preparer has completed the required state-sponsored cost report training.

Preparers must complete cost report training for each program for which a cost report is submitted. Preparers must complete cost report training every other year for the odd-year cost report in order to receive a certificate to complete both that odd-year cost report and the following even-year cost report.

If a new preparer wishes to complete an even-year cost report and has not completed the previous odd-year cost report training, to receive training credit to complete the even-year cost report, he/she must complete an even-year cost report training.

NO EXEMPTIONS from the cost report training requirements will be granted.



How to Complete a Cost Report

Basic Steps:

- Log in to the State of Texas Automated Information Reporting System (STAIRS);
- Review your prior year's cost report and respective adjustments, if applicable;
- Read the current year's Cost Report specific instructions;
- Gather all required documentation;
- Review General Ledger for unallowable costs and classification errors;



How to Complete a Cost Report

- Develop work papers that clearly reconcile between the provider's fiscal year end trial balance and the amounts reported on the Cost Report;
- Complete all required allocations;
- Complete the cost report steps in order on STAIRS, as required;
- Transfer values from your allocation worksheets and reconciliations to appropriate cost report items;
- Check for errors;
- Complete the Preparer Certification page and the Cost Report Certification page.



Allowable Costs: Reasonable Criteria

Cost are only allowable if they are reasonable and necessary.

"Allowable costs--Expenses that are reasonable and necessary for the normal conduct of operations relating to the provision of ground and air ambulance services" [1 TAC §355.8600(b)(1)]

Reasonable Cost:

- The provider seeks to minimize costs through arm's-length transactions.
- The amount expended does not exceed what a prudent, cost-conscious buyer pays for a given item or service.



Allowable Costs: Necessary Criteria

Necessary Costs:

- Costs are for developing and maintaining the required standard of operation for client care.
- Not personal costs.
- Directly or indirectly related to providing the service.
- Costs that are allocated per program are substantiated.

"Allowable costs--Expenses that are reasonable and necessary for the normal conduct of operations relating to the provision of ground and air ambulance services" [1 TAC §355.8600(b)(1)]



Cost Report - Eligible Costs

Cost reports eligible under Texas Healthcare Transformation and Quality Improvement 1115 Waiver Program will include only allocable expenditures related to Uncompensated Charity Care as defined and approved in the 1115 Waiver Program.

For information regarding the definition to Uncompensated Cost, please refer to the Cost Report Instruction Guide listed on the HHSC Website under the reporting heading.

https://rad.hhs.texas.gov/acute-care/ambulance-services



Uninsured Charity Costs

- 1. Beginning with DY9, all programs under the 1115 waiver will transition to uninsured charity care. The 2020 cost report has been updated to reflect this change. Medicaid and FFS charges and reimbursements will still be collected by HHSC but uninsured charity cost will be used to calculate payments.
- 2. All claims for uninsured charity costs must be accompanied by a Charity Care or Financial Assistance Policy.
- 3. Charity Care Policies cannot be retroactively applied to claims. Any uninsured charity claims can only be made after the charity care policy was established.

Allowable Costs: Salary, Wages, and Benefits

Allowable employee benefits are reported as either:

Salaries and wages: Benefits reported as salaries and wages, and are directly charged to the individual employee to include paid vacation days, paid holidays, paid sick leave, other paid leave, and bonuses.

Employee benefits: Employer contributions to deferred compensation plans, retirement funds or pension plans, certain employer-paid health/medical/dental and disability insurance premiums and paid claims, employer-paid life insurance premiums, employer-paid child day care for children of employees.

Costs applicable to specific cost areas.



Allowable Cost: Other Benefit Expenses

Benefits that are reported as costs applicable to specific cost areas include:

- Employer-paid training/educational costs
- Employee relations costs
- Uniforms
- Mileage reimbursement

Note:

Report as a salary if your entity deduces taxes from the reimbursement.



Allowable Costs: Other Benefit Expenses

Providers must maintain documentation which clearly identifies each type of compensation. Examples of required documentation are:

- Insurance policies
- Provider benefit policies
- Records showing paid leave accrued and taken
- Documentation to support hours (regular & overtime)
 - Hours worked and wages paid
- Mileage logs
- Travel Allowances



Allocation and Documentation of Compensation

Allocation of Compensation

Only employer-paid health, medical, dental, and disability paid claims can be allocated. All other employee benefits and/or insurance must be direct-costed.

Documentation of Compensation

Providers must maintain documentation which clearly identifies each type of compensation. Examples of required documentation:

- 1. Payroll documentation to support hours worked (both regular and overtime) and wages paid;
- 2. Insurance policies and provider benefit policies;
- 3. Records showing paid leave accrued and taken;
- 4. Mileage logs; and
- 5. Travel allowances.

For more information on documentation, see 1 TAC §355.105(b)(2)(B)



TEXAS Health and Human Services

Allowable and Unallowable Costs

Allowable compensation for outside consultants and services provided by outside vendors must be reasonable and necessary AND related to the provision of emergency transport services. Expenses not directly related to emergency medical transport services, such as for investment management, stockholder and public relations activities, are unallowable.



Service	Allowable Costs	Unallowable Costs		
Accounting & Auditing	Preparation of business tax reports, business tax returns, financial statements, cost reports, and/or financial audits.*	Preparation of personal tax returns or single audit, fees related to litigation between a provider and a governmental entity, annual reports, reports to stockholders or other interested parties, investment management.		
Legal Services	Legal expenses that are clearly enumerated as to the amount and subject of the action.*	Legal fees associated with: Litigation between a provider and a governmental entity; Court-ordered awards of damages or settlements (with an exception for certain workers' compensation settlements) or a criminal conviction; Any other unallowable costs.		
Advertising & Public Relations	Advertising costs associated with: • Advertising for recruiting necessary personnel; • Advertising to meet statutory or regulatory requirements, such as program standards, rules, or contract requirements; • Telephone directory listings (such as yellow page listings) in the provider's service area (up to 1/8 page) or in a directory of similar facilities if the listings are consistent with practices common and accepted in the industry; • Advertising to procure items related to contracted client care.	Costs associated with: Advertising which seeks to increase client utilization; Advertising for the issuance or sale of a contracted provider's own stock; Business promotional advertising; Public relations costs; The development of logos or other company identification.		

Allowable Costs: Accounting/Audit/Legal Fees

Accounting, Audit, and Legal Fees:

Documentation for accounting, auditing and legal fees that are billed on an hourly basis and the allowable portion of legal retainers should include:

- The amount of time spent on the activity
- A written description of the activity performed
- The person performing the activity
- The hourly billing amount of the person performing the activity





Service	Allowable Costs	Unallowable Costs	
Loan Interest	Reasonable and necessary interest on current and capital indebtedness is allowable; the loan must have been made to satisfy a financial need for a purpose reasonably related to contracted client care. Allowable interest expenses are limited to that net portion of interest accrued which has not been reduced or offset by interest income. The following must be met: Loan must be supported by evidence of a loan contract;** Loan must be made in the name of the contracted provider entity; The proceeds of the loan must be used for allowable costs.	Loan is associated with: Investing in operations other than contracted services; Unallowable items; The purpose of creating excess working capital.	
Staff Training	Training expenses are allowable as long as the training has a direct relationship to employee's job responsibilities, such as: CPR On-the-job training Instructors Training materials Registration fees	Training expenses for a training that does not have a direct relationship to the employee's job responsibilities.	
Dues or Contributions to Organizations	Dues or fees for professional associations or for maintaining professional accreditation.	Dues or contributions associated with lobbying, civic organizations, or nonprofessional organizations.	

Allowable Costs: Employer Expenses

Interest Expense:

Loan Documentation:

- Signed copy of loan
- Explanation of purpose of loan
- Documentation of use of proceeds
- Evidence of systematic principal and interest payments
- Substantiation of costs of securing loan



TEXAS Health and Human Services

Allowable Costs: Training Costs

The following training expenses are ALLOWABLE on the cost report as long as the training has a direct relationship to the job:

- CPR
- On-The-Job Training
- Instructors Costs
- Materials
- Registration Fees



Allowable and Unallowable Costs

Employee Morale and Welfare:

Allowable: To the extent they are incurred in accordance with written policy and only as indirect costs, expenses related to employee morale and welfare are limited to \$50.00 per employee per year.



Allowable and Unallowable Costs

Fines and Penalties

Unallowable: Non-sufficient fund fees, parking fines, damages and settlements from violations (or alleged violations) of laws and regulations. Affordable Care Act (ACA) fines are unallowable.

Fundraising & Investment Management

Unallowable: Salaries related to fundraising and investment management and any fees paid to others for such activity.



Allowable and Unallowable Costs

Allowable Taxes:

- Generally, taxes assessed against the provider and for which the provider is liable for payment are allowable costs.
- Employment-related taxes such as FICA, workers' compensation, and both federal and state unemployment compensation.



Allowable Costs: Travel Costs

The maximum for lodging per diem and meals per diem costs is 150% of the General Services Administration (GSA)'s federal travel rates for maximum lodging and meal reimbursement rates. The GSA's travel rates may be found at:

https://www.gsa.gov/travel/plan-book/per-diem-rates

For locations not specifically listed by the GSA, the current daily rates are listed by the Texas Comptroller of Public Accounts.

Out-of-state travel costs are unallowable, unless:

- For allowable staff training that is not available in Texas;
- For delivering services within 25 miles of the Texas border (adjoining states, but not Mexico).

Allowable Costs: Mileage Rates

Period	Rates in cents per mile		Source	
	Business	Charity	Medical Moving	
2021	56	14	16	IR-2020-279
2020	57.5	14	17	IR-2019-215
2019	58	14	20	IR-2018-251
2018	54.5	14	18	IR-2017-204

Standard Mileage Rates can be found here

http://www.irs.gov/Tax-

Professionals/Standard-Mileage-Rates



Depreciation

 Allows providers to claim costs associated with longlived assets over time that are used in operating ambulance services

• The basic formula for straight line yearly depreciation expense is:

| Historical Cost-Salvage Value | Useful Life in Years |





Depreciate or Expense?

- Purchases after the beginning of fiscal year 1997
 - Must depreciate asset if historical cost \geq \$1,000 AND estimated useful life \geq 1 year at the time of purchase
- Purchases after the beginning of fiscal year 2004
 - Must depreciate asset if historical cost \geq \$2,500 AND estimated useful life \geq 1 year
- Purchases after the beginning of fiscal year 2015
 - <u>Must</u> depreciate asset if historical cost ≥ \$5,000 AND estimated useful life ≥ 1 year
- Expense any item costing less than the capitalization level for that fiscal period as described above or having a useful life of one year or less.







Ambulance Buildings

- The entire building (i.e., the shell and all components) may be treated as a single asset and depreciated over a single useful life, with a
 - Minimum salvage value of 10 percent
 - Minimum useful life of 30 years
- Exclude the cost of land





- If the building is used by both a fire department and an ambulance service, an allocation rate must be applied
 - Separate and distinct usages require allocation based upon square footage
 - If shared, the amount should be allocated based upon "a reasonable method that reflects actual usage"



Vehicles – Useful Lives

- 3 year minimum for automobiles (including minivans);
- 5 year minimum for light trucks and vans (up to and including 15-passenger vans); and
- 7 years for buses and airplanes
- Unallowable vehicles those not generally suited or not commonly used to transport clients, staff, or provider supplies (Ex: motor homes, RVs, motorcycles, sports automobiles, heavy trucks, tractors, etc.)





- Not required if the ground transportation equipment is 100% used for ambulance services
 - Stated in a written policy & policy is followed
- If required, mileage logs must include for each individual trip the date, the time of day (beginning and ending), driver, persons in the vehicle, trip mileage (beginning, ending, and total), purpose of the trip, and the allocation centers (the departments, programs, and/or business entities to which the trip costs should be allocated).



Example Mileage Log



HHSC Emergency Medical Services Mileage Log									
			HHSC Emerge	ency Medical Services Mileage Log					
							Date	10/31/2	011
							Date	10/01/2	011
	Make	Chevy		Beginning Odometer Reading			10,000		
		Model	Suburban		Ending Odometer Reading			10,065	
		Year				_	,,,,,,		
		1 0 0 1	2011						
					Odometer Reading				
Driver	river Passengers P		Purpose	of Trip	Beginnng	Ending	Total	Program Alle	ocation
Chief Huggins		Fin. Meeting - EMS Budget			10000	10005	5	EMS	
		Fire Call			10005	10025	20	Fire	
		Fire Call w/EMS			10025			Fire/EMS	
Chief Huggins					10042			EMS	
Ciliei nuggiris	Asst. Chief Woordd	EMS ConfAustin			10042	10065	40	EIAID	
						Total 6		3	
	Legend	Daily Sum	mary						
Department	Cost Center	Cost Center	Mileage						
Central Office	HHSC-1000	HHSC-1000	0						
EMS	HHSC -2000	HHHC-2000	36.5						
Fire	HHSC-3000	HHSC-3000	28.5						
Police	HHSC-4000	HHSC-4000	0						
XXXXXX	HHHC-XXXX								
	Total	65							

Ambulance Equipment

Use minimum schedules consistent with "Estimated Useful Lives of Depreciable Hospital Assets," published by the American Hospital Association.

Website: WWW.AHA.ORG/EUL

Phone: 1-800-242-2626

E-Mail: AHA-ORDERS@PDD.COM

Examples:

Building equipment; buildings and grounds improvements and repairs; durable medical equipment, furniture, and appliances; and power equipment and tools used for buildings and grounds maintenance.





Ordinary Repairs

- Recurring
- Usually involve expenditures for parts and labor to keep the asset in operating condition
- Don't add materially or to the value of the asset or increase its life
- Usually combined with maintenance costs

Examples: painting, copy machine repair, oil changes, etc.

EXPENSE THESE COSTS AS INCURRED



Health and Human

Services

Extraordinary Repairs

- Expenditures not normally recurring
- Usually increase the value (efficiency, use utility, or life)
 of an asset

Examples - vehicle overhauls, replacing a roof and strengthening the foundation of a building

DEPRECIATE IF:

- Cost \$2,500 or more
- Useful life in excess of one year

ADD TO THE COST OF THE ORIGINAL ASSET AND DEPRECIATE OVER REMAINING LIFE (OR EXTEND USEFUL LIFE ACCORDINGLY)

Depreciation: Documentation

Required for each depreciable asset so that its classification and estimated useful life can be checked for accuracy:

- 1. Historical cost
- 2. Date of purchase
- 3. Depreciable basis

Must be accessible for each depreciable asset:

- 1. Estimated useful life
- 2. Accumulated depreciation
- 3. Calculation of gains and losses upon disposal

Descriptions with unacceptable insufficient detail: "kitchen equipment", "current year purchases", "office furniture".

In STAIRS these items are rolled up, but your documentation needs to be at this level of detail.



"Depreciation and amortization expenses for unallowable assets and costs are also unallowable, including amounts in excess of those resulting from the straight line method, capitalized lease expenses in excess of actual lease payments, and goodwill or any excess above the actual value of physical assets at the time of purchase."





Unallowable Assets

Examples:

ATV's not used exclusively for EMS/ambulance

Fire Apparatus:

Engines

Ladder Trucks

Tactical Vests

Brush Truck

Hazard Materials Vehicle

Pike Poles

Lumping assets together in order to meet a cost threshold will NOT be allowed.

Cost Allocation

The purpose of a cost allocation plan is to summarize, in writing, the methods and procedures that the organization will use to allocate costs to various programs, grants, contracts and agreements.

General guidance on cost allocation for federal grant funded programs is provided from the Office of Management and Budget (OMB) for state, local and Indian tribal governments.





Cost Allocation – Central Office

Administrative costs are indirect costs produced by administrative functions. Administrative costs can be directly charged or shared. If these costs are shared, they are considered central office costs and must be allocated. Administrative functions include:

General Administrative Oversight

Central Management

Personnel Functions

Accounts Payable

Accounts Receivable

General Ledger Accounting Functions

Risk Management Functions

Financial Statement Functions

Payroll Functions

Benefit Management Functions

Cost Allocation – Central Office

Costs related to administrative functions include:

- Salaries/wages
- Payroll taxes
- Employee benefits
- Supplies
- Office space
- Operations costs (travel/training)



Cost Allocation - Direct Cost

Direct costs are those that can be identified specifically with a particular final cost objective.

Direct costs chargeable to supplemental reimbursement are:

- Compensation of employees for the time devoted and identified specifically to the performance of those awards
- Cost of materials acquired, consumed, or expended specifically for the purpose of those transports
- Equipment and other approved capital expenditures
- Travel expenses incurred specifically to carry out the transport

Direct cost of a minor amount may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.



Cost Allocation-Indirect Cost

Indirect costs are incurred costs identified that have two or more cost objectives, but are not specifically identified with any final cost objective. These shared costs may include:

- Building/facility rent or lease
- Utilities costs
- Telecommunications costs
- Administrative staff salaries/wages
- Advertising expenses
- Travel expenses

Allocation of Time – Time Sheets

Must properly document any staff whose duties include:

Multiple direct service types, both direct and indirect service component types, and/or both direct hands-on support and first-level supervision of direct care workers.

Must Maintain:

- Continuous record of time on a daily basis throughout the entire reporting period
- Records indicating the direct charge of ALL hours worked in each job function and activity for the entity



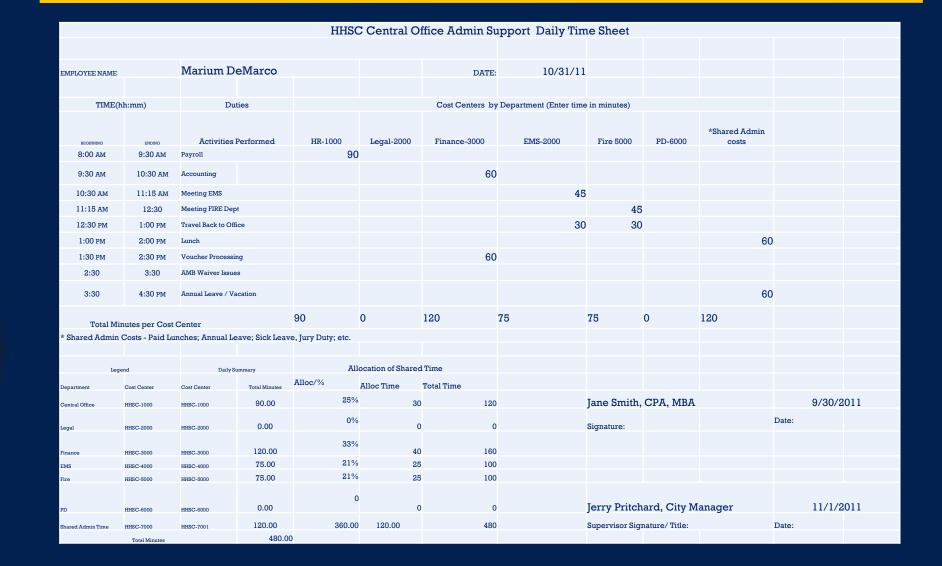
Allocation of Time – Time Sheets

Time sheets must include the following:

- Employee Name
- Date
- Start and Stop Time
- Total Hours Worked
- Time worked providing direct services in the program (in increments of 30 minutes or less)
- Time worked performing other functions
- Paid time off
- Appropriate Signatures and Dates



Time Sheet Example





Report Certifications

Cost Report Certification:

Is required and formally acknowledges that the cost report is true, correct and complete, and was prepared in accordance to all rules and regulations.

Must be completed & signed by an individual legally responsible for the conduct of the provider such as the authorized agent.

The responsible party must have ASSPP training credits for the corresponding reporting period.

The responsible party's signature must be notarized.



Report Certifications

Claimed Expenditures:

Certifies that expenditures are allocable and allowable to the State Medicaid program under Title XIX of the Social Security Act and in accordance with all procedures, instructions and guidance issued by the single state agency and in effect during the cost report year.

Government Provider Name, Total Computable amount, and reporting period dates are auto-populated.

Must be completed & signed by an individual legally responsible for the conduct of the provider such as the authorized agent.

The responsible party's signature must be notarized.

The responsible party should read the certification statements carefully before signing the form before a notary.



Cost Report Submission/Review Process

- 1. Completed cost reports will now only be accepted through STAIRS.
- 2. Cost report review unit will conduct the desk review.
- 3. Hospital Services Rate Analysts will reconcile Uninsured Charity payments and charges.
- 4. HHSC administers payment to providers (September 30)



Unacceptable Cost Reports

- Not completed in accordance with rules, instructions, and policy clarifications
- Not completed for the correct reporting period
- Not completed using a modified accrual method or cash basis of accounting
- Preparer did not submit the required documentation (certification pages, allocation summaries, contractual agreements)
- Provider does not have supporting work-papers
- Provider fails to provide requested information/documentation in a timely fashion
- Provider used unacceptable allocation method

Cost Reporting Process



Provider/ Preparers

Calculation and Payment

Cost Reporting Review

Hospital Services Rate Analysts

Desk Reviews

Providers are responsible to respond to the cost reporting financial examiners within 15 days from the date HHSC requests clarification and/or additional information.

Through STAIRS, the provider will be notified that the exclusions and adjustments reports for providers are available. These reports identify:

- Items that have been adjusted
- The amount of each adjustment
- The reason for each adjustment



Cost Settlement Methodology

HHSC captures all allowable costs and charges within a reporting period and creates a cost to charge ratio. That ratio is then applied specifically to the Uninsured Charity Care charges. After applying the ratio the new remainder is reduced by the payments to those Uninsured Charity Care charges. The new amount is then multiplied by the Federal Medical Assistance Percentages to calculate the amount due to provider before the reduction based on the pool size.

Direct Uninsured Charity Care Cost to Charge Ratio – (Report Total Allowable Costs for the Period of Service / Total Billed Charges for the Period of Service)*Total Billed Uninsured Charity Care charges for Reporting Period.

Informal Reviews

- 1. Informal Review
- 1. Appeals Process



Informal Review Requests

Due within 30 days of notification.

Must include items in dispute, recommended resolution, supporting documentation.

Must be signed by individual legally responsible for the conduct of the contracted provider or their legal representative.

Only the cost determination process (allowable and unallowable expenses) can be disputed in informal review, and thusly in formal appeal.



Appeal Process

If a governmental entity does not agree with the decision made by the HHSC Rate Analysis Division after informal review, the entity has an option to appeal through the HHSC appeal process.

Formal appeals are conducted in accordance with the provisions of Chapter 357, Subchapter I of this title (relating to Hearings under the Administrative Procedure Act).

Requests for a formal appeal from the interested party must be received within 15 calendar days after the interested party receives the written decision. Requests must be sent via email (only) to uctools@hhsc.state.tx.us. HHSC will reply to your email confirming receipt.

Medicaid Records Retention Policy

State laws generally govern how long medical records are to be retained. However, the Health Insurance Portability and Accountability Act (HIPAA) of 1996 (HIPAA) administrative simplification rules require a covered entity, such as a physician billing Medicare, to retain required documentation for six years from the date of its creation or the date when it last was in effect, whichever is later.

HIPAA requirements preempt State laws if they require shorter periods. Your State may require a longer retention period. The HIPAA requirements are available at 45 CFR 164.316(b)(2)

(https://www.gpo.gov/fdsys/pkg/CFR-2007-title45-vol1/pdf/CFR-2007-title45-vol1-sec164-316.pdf)

The Centers for Medicare & Medicaid Services (CMS) requires records of providers submitting cost reports to be retained in their original or legally reproduced form for a period of at least 5 years after the closure of the cost report. This requirement is available at 42 CFR 482.24[b][1]

(http://www.access.gpo.gov/nara/cfr/waisidx 05/42cfr482 05.html)

ASSPP Cost Report Definitions

Cognizant agency: agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed in accordance with the Office of Management and Budget Circular A-87.

Cost Allocation Plans: are the means by which costs are identified in a logical and systematic manner for reimbursement under federal grants and agreements.

Cost-to-charge ratio: A provider's reported costs are allocated to the Uninsured Charity Care program based on a cost-to-billed-charge ratio. Cost-to-billed charge ratio is calculated as the Total Allowable Cost reported for the service period to represent the numerator of the ratio to the billed charges of the total Medicaid paid claims for the service period that represents the denominator of the ratio. This ratio is applied to calculate total billed charges associated with Medicaid paid claims or total computable amount for the cost report.

Federal Medical Assistance Participation (FMAP) Rate: is the share of state Medicaid benefit costs paid for by the federal government.

Medicaid Fee-For-Service (FFS) Paid Claims: Medicaid payments made by the Health and Human Services Commission through the Texas Medicaid Healthcare Partnership to enrolled providers for services provided to Medicaid recipients.

Medicaid Managed Care: provides for the delivery of Medicaid health benefits and additional services through an arrangement between a state Medicaid agency and managed care organizations (MCOs) that accept a set payment for these services.

ASSPP Cost Report Definitions

Un-insured: an individual who has no health insurance or other source of third-party coverage for medical/health services.

Uninsured cost: the cost to provide ambulance services to uninsured patients as defined by the Centers for Medicare and Medicaid Services. An individual whose third-party coverage does not include the service provided is considered by HHSC to be uninsured for that service.

Medicare: A federal system of health insurance for people over 65 years of age and for certain younger people with disabilities.

Other third-party coverage:

Commercial Pay Insurance: health insurance that covers medical expenses and disability income for the insured.

Self-Pay: self pay patient pays in full at the time of visit for our services and we are not required to file claim or submit any documentation on his/her behalf to a third party.

Total Computable Amount: is the total Medicaid and Uninsured allowable amount payable for ambulance services prior to any reductions for interim payments.

Uncompensated Care (UC): health care provided for which a charge was recorded but no payment was received; UC consists of two components, charity care in which the patient is unable to pay and bad debt in which a payment was expected but not received. Uncompensated care excludes other unfunded costs of care such as underpayment from Medicaid and Medicare.

Questions?

